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C O N F I D E N T I A L SECTION 01 OF 02 PRETORIA 002956

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SUBJECT: SOUTH AFRICA'S DEMAND FOR LAND LATENT

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PRETORIA 00002956 001.2 OF 002

Classified By: Charge D'Affaires Donald Teitelbaum. Reasons 1.4(b) and (d).

11. (C) SUMMARY. Land reform remains a low priority for the SAG for numerous reasons, according to Professor Ruth Hall at the University of Western Cape's Programme for Agrarian and Land Studies. The demand for land is latent, unorganized, and often unarticulated, leaving the SAG under little pressure to accelerate land reform. Hall also believes that hypersensitivity to international opinion, coupled with Zimbabwe's controversial land reform program, also has dampened SAG political will to accelerate land reform. Although white ownership remains a potentially explosive issue, analogies to Zimbabwe should not be overdrawn. Only 3 percent of GDP comes from commercial agriculture and the government has been successful in its efforts to create alternative political safety valves, such as Black Economic Empowerment Programs. END SUMMARY.

POLITICAL WILL LACKING

12. (C) Professor Ruth Hall of the Programme for Land and Agrarian Studies at the University of Western Cape told PolOff on 16 August that the SAG's dismal performance on land reform is due to its "walking a tightrope of competing constituencies and interests." The government wants to combat rural poverty and meet ANC constituent demands for a better life. However, they do not want land reform to rattle big business or international investors, who never want uncertainty. More importantly, Hall argues that the SAG's inaction is borne out of its "irrational hypersensitivity to international opinion." To illustrate her point, she noted that Zimbabwe's land reform program -- and the international criticism about how it was carried out -- has had a dampening effect on SAG willingness to move forward. In essence, Hall argued that "Zimbabwe has had the effect of stifling both government action and rhetoric on land reform."

DEMAND IS LATENT

13. (C) The SAG also has simply not felt the pressure to accelerate land reform, according to Hall. She argues that this does not mean that there is no demand, just that "it's latent at this point, and not yet political." She chalks this up to two reasons. First, "the ANC is still on its

honeymoon because it continues to have revolutionary immunity." Hall told PolOff that numerous groups have tried to make land a political issue, but have failed because most people, especially in rural areas, feel uncomfortable challenging the ANC. One example is the Landless People's Movement (LPM), which in 2001 ran with the slogan "No Land, No Vote." In the end, LPM failed because of an identity crisis (i.e., are we ANC or are we fighting the ANC?) and an unwillingness to throw away a vote that was so hard fought and won. Second, people do not correlate land reform with housing issues. "It's as if a house doesn't rest on land," Hall said, adding that land for housing is a huge problem for service delivery. According to Hall, the current wait time for a government-provided house is 16 years, even though the city is building 10,000 houses a year. The demand keeps growing as people move into urban areas and as families grow. (NOTE: Cape Town Mayor publicly said on 15 August that 460,000 people are waitlisted for houses in Cape Town, meaning that the wait time would be significantly more than 10 years unless they significantly improve capacity to build. END NOTE)

LAND HAS POTENTIAL TO BECOME VOLATILE

14. (C) Hall believes that "the government's failure to address this problem leaves it vulnerable to unrest in the future." She does not think that land is an explosive issue for South Africa today, but says that this does not mean it will not be tomorrow. "ANC Deputy President Jacob Zuma has not tried to use the issue to his advantage but this does not mean another populist leader will not be one in the future." According to Hall, illegal land occupation is happening all over the country -- in abandoned buildings in urban areas, informal settlements on outskirts of townships, and makeshift

PRETORIA 00002956 002.2 OF 002

shacks on privately owned land in rural areas. Others have grown tired of waiting for the government to process their restitution claim and started camping out on the land that was taken from them under apartheid.

COMMENT

15. (C) No one, not even the SAG, would claim that land reform in South Africa has been successful. Thirteen years after apartheid, more than 80 percent of land is still owned by whites, who constitute only 10 percent of the population. Instead, the debate is usually focused on the reasons for failure. Most, including the SAG, blame the slow progress on lack of implementation, and yet political will is rarely questioned.

16. (C) Analogies to Zimbabwe should not be overdrawn. We agree with Hall when she says that there is not an overwhelming, palpable demand for land in South Africa, as was the case in Zimbabwe (and which one could argue was politically instigated). Agriculture is a comparatively small part of South Africa's economy; commercial agriculture represented only two percent of GDP last year and experts estimate that only 12-16 percent of land in South Africa is even arable. Consequently, one could argue that a parcel of land is not enough for the average South African today -- they also want a house and a secure full-time job, typically in an urban area. In the vastly more important industrial and tertiary sectors, the SAG has initiated a comprehensive Black Economic Empowerment program to put jobs and equity in the hands of blacks, which has resulted in a political safety valve.
Teitelbaum